

PANORO MINERALS LTD.

Management's Discussion and Analysis – Quarterly Highlights

As at and for the Three and Nine-Month Periods
Ended September 30, 2018 and 2017

November 23, 2018

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Background & Date

The Management's Discussion and Analysis – Quarterly Highlights (“MD&A”) should be read in conjunction with the condensed consolidated interim financial statements of Panoro Minerals Ltd. (“Panoro” or the “Company”) for the three and nine-months ended September 30, 2018 (“fiscal 2018”) and September 30, 2017 (“fiscal 2017”), and the Company's audited financial statements as at and for the year ended December 31, 2017, as filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”) website. This report has been dated as at November 23, 2018, and was approved by the Board of Directors on November 22, 2018.

The common shares of the Company are listed on the TSX Venture Exchange (“TSXV”) under the trading symbol “PML”, the Junior Board of the Bolsa de Valores de Lima (“PML” - Lima Stock Exchange) and (“PZM” on the Frankfurt Exchange).

Additional Sources of Information

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's Audited Financial Statements, the 2017 Annual Information Form, 2017 Management Information Circular, Material Change Reports, press releases, and the Company's technical reports, all of which are available on the SEDAR website at www.sedar.com or on the Company's website www.panoro.com.

Currency

All dollar amounts set forth in the tables and financial section of this MD&A are expressed in Canadian dollars and referred to as “\$” and financial information is prepared and recorded under IFRS unless otherwise specifically indicated. There are also references in this MD&A to Peruvian Nuevos Soles (“S/.”) and United States dollars (“US”). As at September 28, 2018, the closing rate for one Canadian dollar in S/. was C\$1.00 = S/. 2.5497, and the closing rate for one Canadian dollar in USD was C\$1.00 = US\$0.7725 as reported by the Bank of Canada.

CAUTION REGARDING FORWARD LOOKING STATEMENTS: Information and statements contained in this Management Discussion and Analysis Quarterly Update (“MD&A”) that are not historical facts are “forward-looking information” within the meaning of applicable Canadian securities legislation and involve risks and uncertainties. Examples of forward-looking information and statements contained in MD&A include information and statements with respect to:

- Acceleration of payments by Wheaton Metals to match third party financing by Panoro targeted for exploration at the Cotabambas Project
- Payment by Wheaton Metals of US\$140 million in installments
- Mineral resource estimates and assumptions
- The PEAs on the Cotabambas and Antilla Projects, including, but not limited to, base-case parameters and assumptions, forecasts of net present value, internal rate of return and payback
- Copper concentrate grades from the Antilla and Cotabambas Projects

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. In some instances, material assumptions and factors are

presented or discussed in this MD&A in connection with the statements or disclosure containing the forward-looking information and statements. You are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to, assumptions concerning: metal prices and by-product credits; cut-off grades; short and long term power prices; processing recovery rates; mine plans and production scheduling; process and infrastructure design and implementation; accuracy of the estimation of operating and capital costs; applicable tax and royalty rates; open-pit design; accuracy of mineral reserve and resource estimates and reserve and resource modeling; reliability of sampling and assay data; representativeness of mineralization; accuracy of metallurgical test work; and amenability of upgrading and blending mineralization.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by the forward-looking statements, and are included in all of the Company's documents filed on SEDAR and available on the Company's website. Items referred to in this MD&A may include forward-looking statements related to:

- the inherent operational risks associated with mining and mineral exploration, development, mine construction and operating activities, many of which are beyond Panoro's control;
- risks relating to Panoro's ability to enforce Panoro's legal rights under permits or licenses or risk that Panoro's will become subject to litigation or arbitration that has an adverse outcome;
- risks relating to Panoro's projects being in Perú, including political, economic and regulatory instability;
- risks relating to mineral resource estimates being based on interpretations and assumptions which may result in less mineral production under actual circumstances;
- risks relating to the uncertainty of applications to obtain, extend or renew licenses and permits;
- risks relating to potential challenges to Panoro's right to explore and/or develop its projects;
- risks relating to being adversely affected by environmental, safety and regulatory risks, including increased regulatory burdens or delays and changes of law;
- risks relating to inadequate insurance or inability to obtain insurance;
- risks relating to fluctuations in foreign currency exchange rates, interest rates and tax rates; and
- risks relating to Panoro's ability to raise funding to continue its exploration, development and mining activities.

Qualified Person

The technical information in this MD&A has been reviewed and approved by Mr. Luis Vela, a Qualified Person as defined by National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Vela is responsible for the preparation and/or verification of the technical disclosure in this document unless otherwise noted.

Description of Business

Panoro holds a portfolio of ten mineral properties in Perú of which two, the Cotabambas and Antilla projects, are at an advanced stage of exploration and make up the core concession blocks for the Company.

The Company may reduce carrying costs on certain mineral projects by not renewing the mineral concessions on certain non-core concession blocks. There have been no write-downs of concessions held by the Company since the year ended December 31, 2015.

Corporate Update

2018 Activities and Highlights

Cotabambas Project:

- Completion of 2,173 m of exploration drilling at the Cotabambas Project exploration targets Maria Jose and Petra-David located within Cluster 1, delineating additional mineralized zones first intersected in the 2017 drill program;
- The approval of the expansion of the EIAsd at the Cotabambas Project allows Panoro to expand its exploration drilling program into the highly prospective areas of the Chaupec Skarn zone in Cluster 2;
- Initiation of Geophysical surveys at the Chaupec Target in Cluster 2 for exploration drillhole targetting; and
- The completion of land purchase agreement for the Ccochapata Community.

Antilla Project:

- Results of an independent Preliminary Economic Assessment ("2018 PEA") of the Company's 100% owned Antilla project in Perú. A summary is available on the Company's website, in news releases, and in the Quarterly Update for the three and six months ended June 30, 2018;
- Column leach testing results of mineralized material from the Antilla Project estimates recovery of 79.9% copper in a 150-day interval, improved from the 72.5% copper recovery over a 200-day period estimated in the 2018 PEA; and
- The commencement of a strategic review of alternatives to advance the Antilla Project through feasibility studies, permitting and development.

Finance:

- Receipt of a total of US\$1,500,000 pursuant to the Precious Metals Purchase Agreement ("PMPA") with Wheaton Precious Metals International Ltd. ("Wheaton Metals") (the "Agreement");
- The exercise of 3,674,140 common share purchase warrants at \$0.27, for the purchase of 3,674,140 common shares, resulting in aggregate proceeds of \$992,018 to the Company.

Corporate Development:

- The completion of a joint venture agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") on the Humamantata Property, located in Peru, whereby JOGMEC has an option to earn up to 60% indirect beneficial interest with an investment of up to US\$8.0 Million.
- The sale of the Kusiorcco Project to Hudbay Minerals Inc. ("Hudbay") for US\$5.0 million plus a 2% Net Smelter Returns royalty ("NSR"). The initial payment of US\$3.0 million was received in 2018, milestone payments of US\$2.0 million are expected in 2019 and 2020. Hudbay has advised the Company that they have completed surface access agreements needed to advance exploration activities.

Antilla Project

The Antilla project is a copper-molybdenum porphyry deposit, located 140 km south west of the city of Cusco, in the Apurimac region in Southern Perú, held 100% by the Company.

On May 14, 2018, the Company announced the results of an independent Preliminary Economic Assessment ("PEA"). A summary of the PEA follows. The PEA Technical Report was filed on June 26, 2018.

Highlights

- Pre-tax Estimates:
 - NPV (7.5%) of US\$ 519.8 million;
 - IRR of 34.7%; and
 - Payback of 2.6 years.
- After-tax Estimates:
 - NPV (7.5%) of US\$ 305.4 million;
 - IRR of 25.9%; and
 - Payback of 3.0 years.
- Conventional open pit mine focused on supergene copper sulphides;
- Heap Leach and Solvent Extraction Electrowinning (SX/EW) process;
- Design throughput of 20,000 tonnes per day with an operational mine life of 17 years
- Low waste to mill feed ratio of 1.38:1;
- Average annual payable copper of 46.3 million pounds, as Cathodes;
- Average direct cash costs (C1) of US\$1.51 per pound of payable copper;
- Initial Project capital costs of US\$ 250.4 million, including contingencies; and
- Good potential for discovery of additional supergene mineralization adjacent to the current mineral resource area.

The Company is conducting a strategic review of alternatives to advance the Antilla Project into feasibility studies, permitting and development.

The PEA was prepared by Moose Mountain Technical Services Ltd. ("MMTS") in accordance with the definitions in Canadian National Instrument 43-101. The PEA is based on a Mineral Resource estimate completed by Tetra Tech Inc. ("Tetra Tech") in December 2013, based on 2,919 metres of drilling from legacy campaigns (2003-5), 9,130 metres of drilling by Panoro (2008), and 2,242 metres of drilling during a joint venture agreement with Chancadora Centauro SA (CHC) in 2010. The Mineral Resource estimate includes primary and supergene sulphides, as well as mixed hypogene and supergene copper mineralization.

The PEA is considered preliminary in nature. The mine plan of the PEA includes 113.3 million tonnes of Indicated Mineral Resources and 5.4 million tonnes of Inferred Mineral Resources. Inferred Mineral Resources are considered too speculative to have the economic considerations

applied that would enable classification as Mineral Reserves. There is no certainty that the conclusions within the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The 2018 PEA mine plan has focused on the higher grade, near surface secondary sulphides, which are amenable to processing through heap leaching, solvent extraction, and electrowinning (LIX-SX-EW). As a result, the initial capital costs have been reduced by 59%, the C1 cash costs reduced by 18%, the C2 cash costs by 23% and the sustaining capital required for a tailings facility has been eliminated. The base case, after tax NPV (7.5) has increased 36%, the IRR has increased 11% and the payback period has been reduced by 27%. Over 95% of the mineralized material contained in the mine plan is classified as Indicated. The improved Antilla Project is now near the lower quartile of new copper projects in terms of both cash costs and capital intensity. The much reduced \$250 million initial capital cost is expected to facilitate a broader range of strategic financing and/or development approaches to advancing the Antilla Project through feasibility studies and into development and operation. In addition to the reduced capital costs, opportunities for project growth and enhanced economics are outlined below:

- Tetra Tech recommends that further investigation of the Antilla deposit is warranted and necessary. There is potential to add new mineral resources at depth and in the Northeast and Southeast sides of the pit shell. Tetra Tech recommends that additional drilling be carried out to reduce the drill spacing in those zones with copper mineralization, where drill spacing is greater than 100 m. Additional drilling will determine, with greater confidence, both the continuity and extents of copper mineralization within and outside of the known deposit.
- Tetra Tech recommends an extension of the current exploration grid to include the West Block, North Block, Middle Block and Chabuca exploration targets. Tetra Tech recommends continued geochemical sampling and geophysical surveys over these areas located next to the current mineral resources.
- Considering the preliminary metallurgical testwork undertaken on the project to date, there is potential to increase recoveries with additional metallurgical testing.

The Antilla Project process included in the 2018 PEA is based on leaching secondary sulphides. This led to a column leach program, together with associated mineralogical and bottle roll leach testwork, implemented during March 2018 at Aminpro Laboratories, an ISO 9001 and 14001 Laboratory based in Lima, Peru. All works were designed and supervised by Andrew Carter, General Manager of Mining and Minerals of Tetra Tech Inc., UK Office.

On September 4, 2018, the Company announced column leach testing that indicate copper recoveries of up to 79.9% over a 150-day period are potentially achievable from the secondary sulphides. The PEA results announced in May 2018 included an estimated 72.5% copper recovery over a 200 day span from the secondary sulphides. The column testwork was initiated early in 2018 while the PEA was underway, but final results were not available until July 2018. The recoveries estimated for the PEA were derived from bottle roll and mineralogical testwork available at the time of the completion of the PEA.

A potential increase in recoveries should further enhance the economics of this project. Additional testing is planned as part of any feasibility studies for the Antilla Project.

Future Work

Further work leading to a Pre-Feasibility or Feasibility Study is recommended and will include drilling, mineral resource modeling, metallurgical testwork, engineering, and marketing studies, hydrological and geotechnical analysis, as well as various baseline environmental and archeological studies. In addition, exploration work will be recommended over the other targets in the vicinity of the known deposits.

Technical Reporting

The complete technical report documenting the PEA was filed on June 26, 2018, and is available on the Company's website and on SEDAR. The technical report is authored by the following Qualified Persons:

Qualified Person	Firm	PEA Area	Professional Affiliation (and registration number)
	TetraTech Inc.	Geology, Resources	
Jesse Aarsen, PEng	Moose Mountain Technical Services Ltd.	Mining, Infrastructure	APEGBC (#38709)
Luquman Shaheen, PEng	Panoro Minerals Ltd	Marketing, Copper Pricing	APEGBC (#21675)
Andrew Carter	Tetra Tech Inc.	Mineral Processing and Metallurgical Testing	EURING (#2920GB) CENG (#378467) MIMMM (#46421) SAIMM (#19580) SME (#4112502)
Daniel Sepulveda	Moose Mountain Technical Services Ltd.	Recovery Methods, Processing Capex and Opex	SME #4206787RM
Luis Vela, CMC	Panoro Minerals Ltd.	Exploration, mineral tenure, permits	CMC (#0173)

The information is extracted from news releases dated May 14, 2018, and August 7, 2018, which were reviewed by the Qualified Persons of Tetra Tech and/or Moose Mountain Technical Services, and the Company.

Cotabambas Project

Work Plans and Results to Date

In 2018, the Company completed a work program at the Cotabambas Project including the following:

- A drilling program in Cluster 1 of over 2,173 meters in six drill holes was completed, with assay results reported in June 2018
- Results from the drill holes include four drill holes at the Maria Jose 2 Target, one drillhole at the Maria Jose 1 Target and one drillhole at the Petra-David Target.
- Approval of the expansion of the semi-detailed Environmental Impact Assessment to include, in addition to other areas, the Chaupec exploration target in Cluster 2
- Commencement of a geophysical and other studies at the Chaupec target in preparation of a drill program, further details of which are described below.
- Completion of a land purchase agreement with the Ccochapata Community.

Chaupec Target

The Chaupec Target in Cluster 2 is an area of skarn and porphyry mineralization exposed at surface along approximately 3 km by 1 km and includes exposures at surface of different skarn type mineralization, such as pyroxenes, garnets and magnetite, containing mineralization of bornite, chalcopyrite, minor pyrite, and expanded copper oxides.

The quartz-monzonite porphyry outcrops in the south part of the Chaupec Target with potassic alteration and quartz stockwork also contain hypogene/oxides copper mineralization. The mineralization at the Chaupec Target is similar to the skarns at the Las Bambas Copper Mine, located 40 km to the south, specifically with the skarn exposed in the Ferrobamba open pit.

The samples at surface have some of the highest grades sampled to date at the Cotabambas Project and the area has never been drilled. Soil sampling and geophysics commenced in February and work continues.

The approval of the expansion of the Semi-detailed Environmental Impact Assessment (“EIASd”) now allows the Company to expand its exploration drilling program into the highly prospective areas of Cluster 2, expanding the approved area for exploration from 1,401 hectares to 2,923 hectares. Cluster 2 has been the subject of extensive mapping, sampling and geophysical survey studies. These studies have identified the occurrence of skarn Cu-Au-Ag mineralization over extensive areas, and the Company will be targeting high-grade, near-surface skarn mineralization to further improve the economics of the project.

The original approved area permitted 311 drilling platforms in the area of the Ccalla, Azulccaca, Guacile, Petra-David and María José targets in Cluster 1. The expanded area, of 1,522 hectares located to the west of the original area, as shown on the linked plan, permits an additional 295 drilling platforms to explore the geologic targets of the Zones I, II and III of the Chaupec Skarn target zone in Cluster 2.

In November 2018, a detailed 3D geophysical survey was completed at Zone 1 of the Chaupec Target, to finalize drill targets. The objective of the survey is to identify structural controls, directions and thicknesses of the skarn bodies which reported high copper, silver and gold anomalies on the surface rock sampling. The survey will be complemented with additional detailed mapping to finalize the location, orientation and depth of proposed drill holes of the exploration program.

Zone 1 appears to have sills of quartz-monzonite composition intruding wide altered bodies of limestones and skarn composed by pyroxenes, garnets, magnetite, chlorite and epidot. The associated mineralization is composed of copper oxides, chalcopyrite, chalcocite, and bornite sulphides outcropping at surface. The package of sills/skarn is exposed along an area of approximately 450 m by 600 m on the contact of the diorite overthrusting the limestones of the Ferrobamba formation. Further details of the Chaupec Target can be found on Panoro press release of August 28th, 2018.

Humamantata Project

The Humamantata Project ("Humamantata") is located in Southern Peru, together with other projects in the Company's portfolio in the region including the Antilla and Cotabambas Projects. Humamantata is located approximately 10 km to the southwest of Hudbay's Constancia Copper Mine and the Kusiorcco Project.

The Company has entered into a joint venture agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") on Humamantata, whereby JOGMEC will have an option to earn up to a 60% indirect beneficial interest with the investment of US\$8.0 Million.

The terms of the Humamantata option are as follows:

- JOGMEC will contribute US\$1.0 million each year for the first three years to earn a 49% interest in Humamantata;
- JOGMEC has an option to earn a further 11% participating interest in Humamantata; for a total participating interest of 60% by making a further capital contribution relating to Humamantata of US\$5.0 million;
- Investment in Humamantata will be on a pro-rata basis after JOGMEC has fulfilled its funding obligation;
- If any party's participating interest is diluted to less than ten percent its participating interest shall be converted to a 2.0% NSR. The other party may purchase one-half of the NSR with a cash payment in an amount of US\$2.0 million following the creation of the NSR;
- A management committee shall make all strategic decisions and shall oversee exploration activities; and
- Panoro will act as the operator responsible for implementing programs and budgets.

Kusiorcco Project

The Kusiorcco Project (“Kusiorcco”), located six kilometers from the Constancia Mine owned by Hudbay. In late 2017, Kusiorcco was sold to Hudbay by the Company, at which time the Company received a cash payment of US\$3.0 million. Additional milestone payments to be received from Hudbay are as follows with the addition of a 2.0% NSR on future production.

- US\$500,000 upon the execution of agreements with local communities and surface titleholders necessary for Hudbay to access and carry out a drill program on the project. Hudbay has completed agreements on the surface rights on the Kusiorcco Property, and the Company anticipates the receipts of the first milestone payment in early 2019, pursuant to the terms of the agreement; and further payments as follows:
- A payment of US\$500,000 upon completion of Hudbay’s first drill hole on the project;
- A payment of US\$500,000 upon completion of Hudbay’s fifth drill hole on the project; and
- Receipt of a payment of US\$500,000 upon completion of Hudbay’s tenth drill hole on the project.

If all of the above milestones are not achieved within five years of the acquisition, Hudbay will either pay Panoro the remaining milestone payments or return the Kusiorcco mining concessions to Panoro, free and clear of all encumbrances.

Results of Operations

Exploration

During fiscal 2018, the Company expended a net of \$3,472,576 on exploration and evaluation expenditures, \$701,040 on Antilla; \$2,311,882 on Cotabambas; and \$459,654 on other projects. A total of \$826,399 has been accrued for recording and concession fees, and is included in the exploration costs. The Company has received \$58,779 from the recovery of value-added tax on eligible exploration expenditures.

Exploration and evaluation expenditures are largely made up of salaries and wages of site-based staff, geology, community relations and casual labour and other capitalized costs. Drilling commenced in late February at Cotabambas, and 2,173 metres were drilled at a cost of \$507,334 to the end of April, including mobilization and demobilization.

Administration Expenses

The Company’s loss in fiscal 2018 of \$3,401,546 (\$0.02 per common share) compares to a loss of \$1,949,364 (\$0.01 per common share) in fiscal 2017. The discussion below is based on a comparison of fiscal 2018 and 2017.

Overall, the change in the Company’s expenditures reflects an increase in exploration, engineering and corporate activity in fiscal 2018. The increased costs reflect the addition of staff in Peru required to manage the expansion of exploration activities. Additional corporate

development and investor relations activities partner non-core assets and to inform investors and strategic partners.

Areas of changes in administration costs between fiscal 2018 and fiscal 2017 include the following:

- A decrease in travel costs from \$98,351 in fiscal 2017 to \$67,813 in fiscal 2018. In fiscal 2017, a directors' meeting was held in Peru, contributing to the higher travel costs.
- An increase of \$974,410 in share-based compensation in fiscal 2018 related to the grant of 7,300,000 stock options to officers, directors and employees at an exercise price of \$0.34, exercisable for a period of five years. The total fair value of the options granted in the nine months ended September 30, 2018 was \$1,129,083, using the Black-Scholes method with the following assumptions - a volatility of 68%; an expected option life of 2.92 years; a risk free interest rate of 1.90%; and an expected dividend yield of 0%. Of the total fair value, \$154,669 was capitalized to mineral property interests.
- A nominal decrease in salaries and benefits in fiscal 2018 from \$736,436 in fiscal 2017 to \$726,449 in fiscal 2018.
- Project evaluation costs of \$89,066 in fiscal 2017 with no comparative costs incurred in fiscal 2018.
- Financial consulting fees of \$115,970 in fiscal 2018 and \$60,210 in fiscal 2017. This fee is paid to Macquarie Capital Markets Canada Ltd ("Macquarie"), and relates to the scheduled semi-annual payments of US\$750,000, for a total of US\$1.5 million each fiscal year. The Company has received US\$1.5 million in fiscal 2018. In fiscal 2017, the second semi-annual payment was not received until the fourth quarter. Macquarie receives a 6% commission on all payments received by the Company from Wheaton Metals up to US\$14.0 million.
- An increase in corporate development, marketing and shareholder communications' activity in Europe, Peru and North America resulting in an increase from \$220,447 in fiscal 2017 to \$577,451 in fiscal 2018. This included investor relations' consulting agreements in Canada, the USA and Europe.
- An increase in legal fees from \$105,241 in fiscal 2017 to \$160,332 in fiscal 2018, due to additional legal fees incurred with respect to the sale of Kusiorcco in fiscal 2017, the completion of the joint venture agreement on the Humamantata project, an internal restructuring of the Company commenced in 2017, and legal fees related to regulatory and annual filings in the period.
- An exchange gain in fiscal 2018 of \$66,029, compared to a loss of \$1,699 in fiscal 2017, due to fluctuations in the exchange rates. The Company received funds from Wheaton Metals pursuant to the Agreement, and from the sale of Kusiorcco at the end of fiscal 2017. These funds have been maintained in US dollars.
- The Company has recorded a change in fair value of the Agreement's financial liability of \$231,325 in fiscal 2018 due to the decrease in the value of the Canadian dollar against the US dollar since the end of December 2017. The funds received pursuant to the Agreement are in US dollars, and are primarily retained for exploration activities.

Liquidity and capital resources

Liquidity risk is the risk that the Company will not be able to operate in the normal course of business for the next 12 months. The Company is considered to be in the exploration and development stage and is currently exploring mineral properties in Perú. The Company has no history of revenues from operating activities and will have negative cash flow from operations in future periods until commercial production is achieved from its advanced exploration stage projects.

The Company has a number of agreements in place which will provide liquidity into the foreseeable future, including:

1. the Company's agreement with Wheaton Metals, whereby the Company received proceeds of US\$1.5 million in fiscal 2018. To the date of this MD&A, the Company has received US\$7.0 million and an additional US\$7.0 million is payable by Wheaton Metals to the Company in semi-annual payments to fiscal 2023;
2. The Company's agreement with JOGMEC for the Humamantata Project includes the initial funding of US\$3.0 million in the first 3 years of the agreement for investment into the project, and for the Company's costs as the operator. An additional US\$5.0 million of project investment after Year 3 are also included in the agreement. The initial payments are expected to be received to fiscal 2021; and
3. The Company's agreement with Hudbay Minerals Inc. on the Kusiorcco Property includes milestone payments to the Company of US\$2.0 million. These milestone payments are expected to commence in early 2019 and 2020, as Hudbay has advised the Company that they have reached surface rights agreements on the Kusiorcco property.

In fiscal 2018, the Company received \$992,018 on the exercise of 3,674,140 share purchase warrants at a price of \$0.27. The remaining 12,947,348 warrants, exercisable at \$0.27, expired, unexercised, on August 26, 2018.

The Company has no operating revenue and incurred a loss of \$3,401,546 for fiscal 2018 (fiscal 2017 – \$1,949,364). As at September 30, 2018, the Company has an accumulated deficit of \$35,921,318 (December 31, 2017 – \$32,519,772), and has a working capital deficiency of \$4,198,523 (December 31, 2017 – working capital of \$438,467), with the inclusion of the current portion of the Wheaton Metals Agreement which is presented as a current liability.

Based on its financial position at September 30, 2018, the Company believes that it has sufficient funds to meet operational expenditures over the ensuing twelve-month period. The Company will review planned investment expenditures, primarily at the Cotabambas Project, in order to meet changes in working capital estimates.

Commitments

In the normal course of business, the Company enters into contracts that result in commitments for future payments. The following table summarizes the remaining contractual maturities of the Company's operating and capital commitments:

	2018	2019	2020	2021	2022	Total
Office lease (Vancouver)	\$ 17,216	\$ 67,307	\$ 68,814	\$ 34,407	\$ -	\$ 187,744
Office leases (Perú)	\$ 22,778	\$ 92,707	\$ 39,102	\$ -	\$ -	\$ 154,587
Warehouses (3)	\$ 10,825	\$ 9,060	\$ -	\$ -	\$ -	\$ 19,885
Accounts payable and accrued liabilities	\$1,198,435	\$ -	\$ -	\$ -	\$ -	\$1,198,435
Community agreement accrual	\$ 875,812	\$ -	\$ -	\$ -	\$ -	\$ 875,812

Key management personnel and related parties

Employment contracts have been entered into with each of the President and Chief Executive Officer (“CEO”), the Vice-President Exploration (“VP-Ex”), the Senior Vice-President, South America (“VP-SA”) and the Vice-President, Operations (“VP-Op”). The Company is in the process of entering into an employment contract with the Chief Financial Officer (“CFO”). In fiscal 2018, the Company purchased \$14,926 (2017 - \$Nil) in geological supplies from a private company controlled by a director of a subsidiary of the Company. The Company had no other transactions between directors and officers and/or companies controlled by directors or officers in common with the Company. At September 30, 2018, there were no balances payable or receivable from (2017: \$942 payable to) officers and directors of the Company for expense advances received for expenses incurred on behalf of the Company. Expense reports were submitted for costs incurred in the period following the advance.

Contingent receivable

In 2007, the Company entered into a Purchase and Sale Agreement of a property in the Philippines (“Mindoro Agreement”) with Mindoro Resources Ltd. and its subsidiaries (collectively, “Mindoro”). As of the date of this MD&A no payment from Mindoro has been received. The Mindoro Agreement is still in effect, and the Company has not issued written notice to Mindoro regarding the breach of the Mindoro Agreement. An approach has been made by Mindoro for an amended agreement, but at the date of this MD&A, no changes in terms have been agreed to between the two parties.